

Economic Implications of Smart Growth in Montgomery County

For the Montgomery County Smart
Growth Initiative
June 17, 2009

Aims of Smart Growth Initiative

- Generate high-quality, high-wage jobs
- Expand housing near jobs, mass transit
- Redevelop old industrial sites
- Invest in upgrading County facilities
- By re-using existing developed land, help preserve agricultural reserve

By Implication: Other Smart Growth Outcomes

- Develop more compact, multi-use areas
- Enhance livability for residents, workers
- Expand mobility options – walking, transit
- Improve County services for growing population, economy

Smart Growth Also Serves Sustainability Objectives

- Strengthen County's economy and reaffirm its role in regional economy
- Reduce effects of growth on environmental resources, such as improving energy efficiency
- Can improve social equity in the County and region

Community Economies Are Not Conforming to Smart Growth

- Brookings study (April, 2009):
 - 45 % of jobs in large metro areas are located more than 10 miles from the region's center
 - 1998-2006: decrease in jobs within 3 miles of downtown in most metro areas
 - Rapid "job sprawl" occurred in more than half the metro areas

Consequences of Job Sprawl

- Longer commute distances = greater energy consumption
- Increased infrastructure costs
- Reduced opportunities for business interaction
- Isolation of minority employees from job centers
- Associated residential sprawl

For Montgomery County: The Competition Factor

- Tyson's Corner: gathering strength
 - One of major business, retail centers in U.S.
 - Plans for significant expansion, rebuilding
 - Will finally be linked to Metrorail
 - To include substantial residential growth

Regional Significance of the County's Strategy

- Forging economic development within the heart of the County:
 - Building on economic strengths
 - Connecting the dots
 - Recognizing place-making opportunities

Regional Significance: Renewing Aging Infrastructure

- Focusing on reinvestment, improvement of outmoded, inefficiently developed area:
 - Recycling valuable resources and assets – central location, existing facilities
 - Taking advantage of renewable “embodied energy”
 - Rebuilding for the long term future

Regional Significance: Achieving Sustainable Development

- Aiming to strengthen a productive, competitive economy while increasing social equity and reducing the environmental impacts of growth

Montgomery County's Longtime Policy Path

- Promoting TOD-oriented urban centers
 - Bethesda
 - Friendship Heights
- Investing in redevelopment:
 - Silver Spring
- Creating significant public facilities:
 - Strathmore Music Center
 - Convention Center

Alternative: Fighting Growth and Change

- Beginning in 1960's: growth controls
- Famous examples:
 - Ramapo, NY – adequate public facility tests
 - Petaluma, CA – limit on building permits
 - Boulder, CO – growth boundary
 - Boca Raton – population control

Some Outcomes

- Ramapo – facilities not programmed, growth stopped, economy suffered, requirements dropped
- (Meanwhile, adequate public facilities became most common growth control policy in U.S.)
- Petaluma – still limits permit issuance, growing at slower pace, development went to surrounding communities
- Boca Raton – population control illegal

Urban Growth Boundaries

- Recent study: 131 jurisdictions with “urban containment” lines
 - Portland, OR
 - Lexington, KN
 - Sarasota County, FL
 - Montgomery County (agricultural preserve)

Consequences

- Almost all failed to stop growth:
 - Shifted to adjacent areas welcoming growth (with consequent impacts on jurisdiction attempting to control growth)
 - If attractive market, generated pressures for higher-density development
 - (Vancouver, WA owes much of its growth to Portland, OR restrictions)

Boulder, CO Growth Limits

- Growth boundary on surrounding mountains for water service
- 1976 election approved Danish Plan:
 - Limit: 450 permits/year for 5 years
 - Project rating system for grading proposals
 - Impacts: bifurcated housing market – rich and poor (HH income was “two-humped camel”)
 - Most development today: renovation, replacement

Limits on Non-Residential Growth

- Boulder: due to traffic problems, restricted new commercial/industrial development
 - Existing industries had trouble expanding
 - New industries found few sites available
 - Restrictions lifted
- Portland: study of constrained growth (1994)
 - Land, housing prices predicted to rise
 - Household shifts similar to Boulder's
 - To be effective, would require disincentives

Columbia/Reston

Attitudes to Growth

- Growth created demands for commercial, other services only partly satisfied on site
- Columbia:
 - Howard County aimed to reduce traffic problems by allowing expansion of town center to serve residents
 - Many residents fought change, now on hold
- Reston:
 - Planners reserved site for future town center, now developed
 - Outdated Lake Anne center being redeveloped

Economic Lessons of Smart Growth and Sustainable Development

- Work to achieve sustainable development by developing resources that conserve energy and environmental resources while advancing social equity.
- Play the hand you're dealt – in this case an area and some valuable economic opportunities for capitalizing on assets